

Message Text

PAGE 01 NATO 04939 162212Z

72

ACTION EUR-25

INFO OCT-01 ISO-00 SS-20 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 EB-11 ACDA-19 OMB-01 NSC-10 DRC-01 /143 W

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P R 162115Z OCT 73

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 2157

SECDEF WASHDC PRIORITY

INFO AMEMBASSY BONN

AMEMBASSY OTTAWA

AMEMBASSY ROME

USNMR SHAPE

C O N F I D E N T I A L USNATO 4939

E.O. 11652: GDS: 12-31-79

TAGS: MCAP, NATO

SUBJECT: BURDENSARING: MEETING OF THE STUDY GROUP, 15 OCT 73

REF: USNATO 4634; USNATO 4659; USNATO 4844; STATE 200507;
USNATO 4906; USNATO 4908.

SUMMARY: AMBASSADOR RUMSFELD OPENED MEETING BY COMMENDING STUDY GROUP FOR PROGRESS TO DATE AND EXPRESSING WISH THAT REPORT CAN BE TRANSMITTED TO COUNCIL SOON FOR PROBLEM TO BE RESOLVED. ITALY RAISED ISSUE OF INCLUSION IN MILITARY BALANCE OF PAYMENTS RECEIPTS FOR PURCHASES BY ITALIAN COMMERCIAL FIRMS OF MILITARY EQUIPMENT IN US. CANADA RAISED ISSUE OF PROPRIETY OF INCLUSION IN STATISTICAL SECTION OF DATA OUTSIDE EUROPEAN AREA INVOLVING CANADA. AGREEMENT WAS REACHED ON PART II OF REPORT. MEETING ADJOURNED PENDING RESOLUTION BETWEEN US AND FRG OF DISAGREEMENT ON LANGUAGE OF PARA 13. NEXT MEETING, EXPECTED TO BE FINAL SESSION, IS SCHEDULED FOR THURSDAY, 18 OCT. END SUMMARY.

1. CHAIRMAN OPENED MEETING BY EXPRESSING DESIRE TO REACH EARLY AGREEMENT FOR SUBMISSION OF DRAFT REPORT TO COUNCIL.
CONFIDENTIAL

PAGE 02 NATO 04939 162212Z

2. AMBASSADOR RUMSFELD MADE STATEMENT CONGRATULATING GROUP ON GOOD PROGRESS ON COMPLEX SUBJECT OF GREAT INTEREST TO US. HE EXPRESSED THE WISH THAT ONE WOULD SOON BE ABLE TO SAY THAT THE ALLIANCE HAD SEEN AND ADDRESSED THE PROBLEM AND FOUND THE SOLUTION.

HE INDICATED THAT TASK WAS NOT MERELY ONE OF SORTING OUT THE COMPONENTS OF THE PROBLEM AND SOLVING THEM BUT OF DOING SO IN A WAY SEEN BY ALL THE ALLIES, INCLUDING THE US, TO BE EQUITABLE. RUMSFELD CONCLUDED WITH THE SUGGESTION THAT WHATEVER CAN'T BE AGREED UPON BY THE STUDY GROUP AT THIS POINT SHOULD NOT HOLD UP THE SUBMISSION OF THE REPORT TO THE COUNCIL BUT THAT AREAS OF NON-AGREEMENT SHOULD BE NOTED IN REPORT.

3. THE CHAIR BEGAN THE EXAMINATION OF THE 5 OCT DRAFT REPORT (AC/291-WP(73)1(2ND REVISE)) WITH PART II ON THE BASIS THAT IT WOULD LEAD TO LESS CONTROVERSY THAN PART I.

4. THE NETHERLANDS LED OFF THE DISCUSSION BY EVINCING AN INTEREST IN LEARNING IN MORE DETAIL WHAT US HAS IN MIND UNDER JOINT BASING - OPTION II, COVERED IN PARA 38 AND 39. THE US AGREED TO ADVISE THE DUTCH IN MORE SPECIFIC TERMS OF WHAT WE HAVE IN MIND.

5. A REPRESENTATIVE OF NICSMA (NATO INTEGRATED COMMUNICATIONS SYSTEM MANAGEMENT AGENCY) SUBMITTED PROPOSED NEW TEXT ON COMMUNICATIONS TO REPLACE CURRENT PARA 46. THIS WAS ACCEPTED ON UNDERSTANDING THAT LANGUAGE WOULD BE INCORPORATED COVERING THE POSSIBILITY OF SUBSTITUTING NON-US PERSONNEL FOR US PERSONNEL PRESENTLY ENGAGED IN COMMUNICATIONS OPERATIONS.

6. THE GROUP AGREED TO AMEND PARA 48, "NON-RECURRING CAPITAL COSTS FOR INSTALLATIONS - OPTION IV", TO SHOW EXTENT OF ON-GOING CONSTRUCTION BEGUN IN EARLIER PERIOD.

7. THE GROUP AGREED TO SHORTEN PARA 60, "PURCHASES OF US MILITARY GOODS - OPTION IX", TO READ: "COUNTRIES HAVE AGREED TO PROVIDE ESTIMATES OF THEIR PROSPECTIVE EXPENDITURES FOR MILITARY PROCUREMENT IN THE UNITED STATES."

8. ITALY ENDEAVORED TO OBTAIN AGREEMENT TO INCLUDE UNDER CASH RECEIPTS COLUMN IN TABLE 1, PURCHASES MADE BY ITALIAN COMMERCIAL FIRMS IN THE US FOR MILITARY PROCUREMENT. US REP (PRENDERGAST) CONFIDENTIAL

PAGE 03 NATO 04939 162212Z

OPPOSED ITALIAN PROPOSAL, INDICATING THAT ITALIAN APPROACH WOULD INTRODUCE HOST OF ADDITIONAL UNCERTAINTIES TO AN ALREADY SUFFICIENTLY COMPLEX PROBLEM. BELGIUM SUPPORTED ITALIAN POSITION. LEAVING IMPRESSION THAT SUCH DATA WERE ALREADY REFLECTED IN FIGURES FOR BELGIUM. THE NETHERLANDS, ON THE OTHER HAND, STATED THAT SUCH AN INTERPRETATION WOULD CONSTITUTE A CHANGE IN THE GROUND RULES AND DOES NOT FALL WITHIN DEFENSE PLANNING QUESTIONNAIRE (DPQ) DEFINITION OF "TRANSACTIONS ON MILITARY ACCOUNT". US INDICATED THAT PART OF PROBLEM WITH INCLUSION OF SUCH DATA WAS FACT THAT US HAD NOT INCLUDED IN OUR DATA ANY COMPARABLE EXPENDITURES BY US COMMERCIAL FIRMS IN EUROPE. THE GROUP AGREED TO USE IN PARA 60 THE PHRASE "TRANSACTIONS ON MILITARY ACCOUNT". FYI: ACCEPTANCE OF AN ITALIAN POSITION ON THIS ISSUE WOULD RESULT IN ELIMINATION OF DEFICIT ("NET ADVERSE BALANCE") IN

THE CASE OF ITALY. END OF FYI.

9. FRG PROPOSED DELETION OF PARA 62, "MULTILATERAL FUNDING SCHEMES - OPTION XI", ON BASIS THAT SUCH AN OPTION WAS UNREALISTIC AND BEYOND THE REALM OF POSSIBILITY. AFTER STRONG STATEMENTS BY US AND CHAIR IN FAVOR OF OPTION, THE GROUP AGREED TO ITS RETENTION.

10. SUBJECT TO FOREGOING CHANGES AND OTHER MODIFICATIONS, MINOR IN NATURE, GROUP AGREED TO PART II OF REPORT.

11. CANADA ASKED THAT THE FOLLOWING PARAGRAPH BE INSERTED IN THE REPORT:

"THE STUDY GROUP WAS INFORMED THAT CANADA DOES NOT CONTRIBUTE TO THE USA MILITARY BALANCE OF PAYMENTS AND BUDGETARY PROBLEMS IN EUROPE; AND THAT BILATERAL ARRANGEMENTS EXIST FOR DEALING WITH THESE PROBLEMS IN THE NORTH AMERICAN CONTEXT. THESE ISSUES AS THEY PERTAIN TO THE NORTH AMERICAN REGION OF NATO ARE THEREFORE EXCLUDED FROM CONSIDERATION IN THIS REPORT."

IN DEFENSE OF HIS PROPOSAL, CANADIAN REP, ALTHOUGH CONCEDING THAT CANADA MIGHT PARTICIPATE IN MULTILATERAL OPTIONS, RAISED THE POINT THAT SEVERAL OF THE OPTIONS APPLY ONLY TO HOST COUNTRIES. NORWAY RESPONDED BY INDICATING THAT SEVERAL OTHER COUNTRIES, E.G., DENMARK AND NORWAY, WOULD BE IN SAME BOAT ACCORDING TO THAT CRITERION. CANADA OFFERED IN FURTHER CONFIDENTIAL

PAGE 04 NATO 04939 162212Z

EXPLANATION OF ITS POSITION THAT THERE HAD BEEN EARLIER MODIFICATIONS IN TEXT TO SHOW "MEMBERS OF THE ALLIANCE" RATHER THAN "EUROPEAN ALLIES". THE US PROPOSED THE DELETION FROM TABULAR DATA ON MILITARY BALANCE OF PAYMENTS OF DATA RELATING TO CANADA. CANADA AGREED TO THIS "AD REFERENDUM", DROPPING INSISTENCE ON INCORPORATION IN REPORT OF ABOVE-QUOTED LANGUAGE.

12. BELGIUM AND ITALY SUPPORTED FRG PROPOSAL, CALLING FOR REARRANGEMENT OF SEQUENCE OF PART I OF REPORT TO TREAT OVERALL BALANCE OF PAYMENTS PORTION BEFORE MILITARY BALANCE OF PAYMENTS PORTION, WITH MINOR REQUIRED MODIFICATION TO INTRODUCTORY LANGUAGE OF PARA 10.

13. ON PRESENTATION OF TABLE 1 THE GROUP AGREED, "AD REFERENDUM" IN THE CASE OF US, TO ONE COLUMN OF FIGURES IN NET RECEIPTS COLUMN WITH FOOTNOTE, "SUBJECT TO VERIFICATION BY THE UNITED STATES".

14. IN VIEW OF INABILITY OF US TO AGREE WITHOUT INSTRUCTIONS FROM WASHINGTON TO FRG VERSION OF PARA 13, STUDY GROUP ADJOURNED, PENDING RESOLUTION OF THIS ISSUE BETWEEN US AND FRG, UNTIL THURSDAY, 18 OCT.

15. REQUEST INSTRUCTIONS PRIOR TO 18 OCT MEETING AS TO

CURRENT TEXT, SUBJECT TO MINOR MODIFICATIONS.

RUMSFELD

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<< END OF DOCUMENT >>

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